
By: **Senators Kelley, Forehand, Garagiola, Grosfeld, and Miller**
Introduced and read first time: February 5, 2004
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Malpractice Insurance - Excessive Rates**

3 FOR the purpose of providing that, for medical malpractice insurance, a rate is
4 excessive if the rate does not reflect certain dividends, rate credits, and any
5 other form or type of refund or credit that the insurer has issued, or reasonably
6 may be expected to issue, during the period the rate will be in effect or if for any
7 other reason the rate is unreasonably high for the insurance coverage provided;
8 and generally relating to rates for medical malpractice insurance.

9 BY repealing and reenacting, without amendments,
10 Article - Insurance
11 Section 11-205(a)
12 Annotated Code of Maryland
13 (2003 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article - Insurance
16 Section 11-205(d)
17 Annotated Code of Maryland
18 (2003 Replacement Volume)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Insurance**

22 11-205.

23 (a) All rates shall be made in accordance with the principles set forth in this
24 section.

25 (d) (1) Rates may not be excessive, inadequate, or unfairly discriminatory.

26 (2) FOR MEDICAL MALPRACTICE INSURANCE, A RATE IS EXCESSIVE IF:

1 (I) THE RATE DOES NOT REFLECT ALL DIVIDENDS, RATE CREDITS,
2 AND ANY OTHER FORM OR TYPE OF REFUND OR CREDIT THAT THE INSURER HAS
3 ISSUED, OR REASONABLY MAY BE EXPECTED TO ISSUE, DURING THE PERIOD THE
4 RATE WILL BE IN EFFECT; OR

5 (II) THE RATE FOR ANY OTHER REASON IS UNREASONABLY HIGH
6 FOR THE INSURANCE COVERAGE PROVIDED.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2004.